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Is Honesty the Best
Policy.

By

R.E. Farrell.





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Hon. James A. Garfield
44, Union Republic

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IS HONESTY THE BEST POLICY?

R. F. Garfield

PENALTY FOR DISCOVERING FRAUD.—\$102,000 GAINED BY THE GOVERNMENT.—SECRETARY FISH REMOVES A CONSUL FOR DECLINING TO ALLOW SPANISH MERCHANTS TO DEFRAUD OUR REVENUE.

—SERVICES IN PEACE AND WAR REWARDED BY

DISMISSAL.—WHICH IS BEST, HONESTY OR

DISHONESTY WHILE IN THE SERVICE

OF THE GOVERNMENT?—AN IN-

TERESTING NARRATIVE.—

OUR MATCHLESS

CIVIL SER-

VICE.

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Hon. JOB E. STEVENSON,

United States House of Representatives, Washington.

DEAR SIR: Referring to our conversation at Washington, I beg to submit a statement of what transpired during my residence at Cadiz, Spain, as the Consul of the United States.

On the 10th August, 1865, Mr. Seward appointed me Consul at Cadiz, Spain. At the time I was assistant-editor of the Cincinnati *Catholic Telegraph*, a journal well known throughout Ohio. I took charge of the Cadiz Consulate Jan. 1, 1866, relieving a Cadiz ship-chandler and wine merchant, who had been appointed Vice-Consul, by the Department of State, after the dismissal of the Consul in April, 1865, for an alleged offence unparalleled in the history, I believe, of the consular service.

The attention of the Departments of State and Treasury having been called, by the Collectors of Customs of our principal ports, in the year 1865, to the negligence and gross inattention of many of our consular officers in the matter of certifying invoices, the Secretary of State, on the 20th April, 1866, issued Circular No. 59, which, after calling attention to the law of March 3, 1863, stated: "The powers conferred upon you (consular officers) for the purpose of securing truthfulness and correctness in invoices are ample, and you [consular officers] shall be held responsible for any want of truth or correctness in any invoice certified by you" [consular officers].

Prior to the receipt of this circular, I noticed the low (invoice) price of the sherry sent to the United States. I made numerous enquiries about the matter. The wine merchant whom I found discharging the duties of Consul on my arrival was one of the principal shippers of this low-priced wine, and, strange as it may seem, when questioned, he gave me deceptive information on the subject.

In June, 1866, Mr. W. B. Farwell, U. S. Secret Revenue Agent, arrived at Cadiz. After an interchange of views on invoices, etc., he visited some of the wine-cellars *incog*. Suffice to say, he discovered sufficient to corroborate my doubts.

On the 29th June, 1866, I addressed the following letter to the Department of State:

No. 38.]

"UNITED STATES CONSULATE, CADIZ,

"June 29, 1866.

"SIR: I have given notice to the owners and shippers of wine from this city and vicinity that they must comply with the orders of Circular No. 59, April 20, 1866. With few exceptions they are displeased, and have given me considerable trouble. A chronic system has been in practice here which allowed every truthless shipper to put his wines at any price he pleased. Many of them have grown rich and proud at the expense of our revenue, and they deem it a hardship to appear before me and declare, swear, to their invoices. I have been informed that a petition is about to be forwarded to you on account of my action. . . .

"I am here now six months, and have watched the actions of all shippers. After watching, enquiring, etc., I have arrived at the disagreeable conclusion that two-

thirds of the wine exported from here to the United States has been forwarded under the protection of false and fraudulent invoices. I believe, too, that the parties who have sent those invoices would as soon swear to their fictitious value as declare to it.

"I have examined each invoice of 1865; I have found that, without exaggeration, there was about three hundred thousand (300,000) dollars kept from our revenue by those invoices.

"One of the secret agents of the Treasury Department was here a few weeks past. I communicated to him my suspicions, showed him my book of invoices and the letters that the late vice-consul wrote to one of the appraisers in Boston. He went to one of the largest shippers here to buy wine. The shipper, after some time, candidly informed him that he could not send wine to the United States unless under the protection of false invoices. He requested me to make no change, to allow this party to send his wines forward. I have done so up to the present, but now deem it necessary to have all the clauses of the aforesaid circular complied with. He took with him all my invoices from January 1 to 14th of June.

"There is a large quantity of wine from here on the way to the United States, invoiced at the very low figure. I do not believe any of them have the true value set forth, and I have informed the proper officers that I believe they are fraudulent.

"I am, sir, your obedient servant,

"R. F. FARRELL,

United States Consul.

"Hon. W. H. SEWARD,

Secretary of State, Washington."

Henceforth, basing my action on the aforesaid Circular No. 59, my knowledge of the wine trade after a residence of six months, and the information of the aforesaid Revenue Agent, I declined to sign any invoices that represented sherry wine at forty cents per gallon in Cadiz Bay. In the meantime, I informed the Departments of State and Treasury and the Collectors of Customs at New York and Boston of my action. The Cadiz shippers were indignant, and wrote to Madrid; the Treasury Department seized the wines at New York and Boston, and entered a suit against them in the United States Court.

In the interval, the Cadiz shippers presented an exposition to the Spanish Secretary of State at Madrid, who in turn wrote to the Spanish Minister at Washington to present the facts to our Department of State. Soon as they came before Mr. Seward, he referred them to the Treasury Department, and so informed the Spanish Minister. (*Vide Executive Document No. 33, 39th Congress, 2d Session.*)

The shippers continued to importune me to sign their invoices, representing sherry at *forty cents per gallon*, but I courteously and firmly declined assuring them, at the same time, that, if either the Departments of State or Treasury of the United States ordered me to do so, I would feel pleasure in doing so; but until either, or both, communicated with me on the subject, I respectfully declined.

The late Secretary of the Treasury not only approved my action, but authorized me to expend a sum not exceeding \$500 in procuring information relating to the undervaluation of wines, etc.

At this time, the United States Government had seized, at New York and Boston, one million two hundred and fifty thousand (1,250,000) gallons of sherry wine, invoiced at forty cents per gallon. The first suit was commenced against the Cadiz house of Lacave & Echecopar. In presence of testimony as plain as that equals multiplied by equals produce equals, and the judge's charge to the jury in favor of the Government, the *jury disagreed*, which is generally the case when the Government is the plaintiff in such suits. But the disagreement of the jury was too outrageous to pass the officers of the Government with impunity. The Treasury Department concluded to commence another suit, but, after considering the chances of finding "twelve good and true men," who would pay as much attention to the claims of the Government as to the interests of a number of foreign

merchants, who have no interest in our country or Government but to make all the money they can, honestly or dishonestly, at our expense, it thought best to compromise the matter, and did so as follows: On the 1,250,000 gallons of wine, the duty was reliquidated upon the revaluation of forty-eight (48) cents a gallon, with a commission of two and one-half ($2\frac{1}{2}$) per centum added. The additional duties were paid upon this revaluation, and the claimants *consented to an entry of a reasonable cause of seizure*. The increased duty was: One million two hundred and fifty thousand gallons of wine, at eight (8) cents per gallon, \$100,000; two and one-half ($2\frac{1}{2}$) per cent., \$2,500; total, one hundred and two thousand five hundred dollars (\$102,500). (*Ide Boston Herald*, September 10, 1868.)

On the 11th February, 1867, the Honorable Samuel C. Pomeroy, Senator from Kansas, introduced a resolution, calling on the Secretary of State to report and transmit copies of any correspondence on file in the Department of State relating to "the manner in which our Consul at Cadiz has transacted the business of his office, particularly relating to any statement or documents of the Spanish Government upon the question of the invoices of wines shipped to the United States," etc.

My correspondence with the Department of State was presented to the Senate, February 23, 1867. It was "read, ordered to lie on the table, and be printed." You have a copy of the same. I beg to submit an extract from my despatch to the Department of State, No. 54, November 27, 1866:

"The manner of legalizing invoices before my arrival was, certainly very convenient for the shipper, but very prejudicial to the interests of the United States. The exporter put in the invoice what price suited him, signed in his counting-house, and sent it to the consulate by a boy for the consul's seal and signature. I have abolished this practice; the shipper must appear before me, and, when I have any doubt of the value, swear to it, but at all times must sign it in my presence. For so doing I am considered disoblising, and my conduct stigmatized as 'rude and insulting,' but I have solely done my duty, and that in a polite and attentive manner. I cannot grant favors incompatible with my duty, and I certainly shall grant none that I know are prejudicial to the interests of the revenue.

"I have kept the Honorable Secretary of the Treasury, and the collectors of customs at New York and Boston, advised of all my actions in relation to invoices.

"My letters to the Honorable Secretary of the Treasury bear date as follows: June 16, August 14, August 29, October 4, October 18, November 2, November 9, November 17, 1866. I addressed one, also, to the Solicitor of the Treasury Department on the 29th of June, 1866. The following are the dates to the collectors of customs at New York and Boston: To New York, June 29, July 20, November 3, November 9, November 17; to Boston, September 10, 1866.

"As I have declined to certify certain invoices, and the parties interested may address you upon the subject, I beg to inform you why I have done so. Last June Mr. W. B. Farwell, secret revenue agent, visited this city. After an hour's conversation we agreed on a plan of finding out as much as possible in relation to low-invoiced sherry wine. Mr. F. visited the wine cellar of the largest and principal exporter from here to the United States, incognito, for the purpose of 'buying wine for Canada.' After a short conference with one of the members of this firm, he frankly informed him that it was impossible to send wine to the United States at the usual invoiced price, but that it was sent and invoiced low in order to escape the high duties. The duty on wine is: value not over fifty (50) cents per gallon, twenty (20) cents per gallon, and twenty-five (25) per cent. *ad valorem*; over fifty (50) cents and not over one hundred (100), fifty (50) cents per gallon, and twenty-five (25) per cent. *ad valorem*; over one dollar (\$1) per gallon, and twenty-five per cent. *ad valorem*. It is the interest of the shipper to pay only the lowest duty, to wit, 'twenty (20) cents per gallon, and twenty-five (25) per cent. *ad valorem*.' I assure you that ninety-nine out of every hundred casks of wine that leave this port are invoiced so as to come under the twenty (20) cents duty, and the shipper will swear that this is the true value, because

too many here consider such an oath as a mere form, and pay no more attention to it than if it were the chorus of a negro song.

"The wine thus invoiced is less than fifty (50) cents per gallon. No one can buy the lowest class of sherry here for fifty (50) cents per gallon. But the shippers say, when I refer to the low price, that it is not sherry that they are sending—that it is common 'Mognier wine,' the refuse and trash of the wine district; but they put it down in their invoices as sherry, and brand their casks as vessels containing pure sherry wine, and I must, and do, consider it as sherry wine because the invoice says that it is, and the shipper cannot put one thing in his invoice, and come into the consulate and say that it is something else with impunity, because, if I believed him, and acted on that belief, I could not sign the invoice unless I permitted him to put down one thing in his invoice, and afterwards to believe him when he stated that it was something else. The invoice is supposed to contain the quality, quantity, and value of the goods about to be exported. The shipper declares, or swears, it to be true in all respects, and signs it in my presence. It states that it represents so many gallons of sherry wine, I must believe the shipper; it is none of my business what the casks contain; the appraisers will attend to their contents. I must go according to the invoice, and I cannot, and have not, allowed him to go behind his invoice, his declaration and signature, or accept his assertion that it is something else. Hence I have declined to certify certain invoices that I have had good reason to believe and do believe to be undervalued.

Some time past these shippers adopted the skilful plan of defrauding the shipowner of his freight, and the customs of duties. The plan was, and is: an American butt is one hundred and twenty-six (126) gallons "legal measure," or one hundred and twenty-eight "full measure." Very little wine is exported in butts to the United States. Quarters are in general use. By the above measure a quarter cask would only contain thirty-one and a half ($31\frac{1}{2}$) gallons "legal measure," or thirty-two (32) "full measure." Freight per tun on this ranges from \$8 to \$10 per tun. Eight (8) quarters, or two (2) butts, make a tun. The shippers have had their casks made so as they would hold forty gallons; that would be one hundred and sixty (160) gallons per butt, or three hundred and twenty (320) gallons per tun. The full-measure tun, or eight (8) quarters, would only contain two hundred and fifty-six gallons. Hence $320 - 256, 64$; and $64 \times 4, 256$; that is, the shipowner receives freight for four tuns of wine, but he carries five. Each tun of the 'full measure' standard, namely, eight (8) quarters, each containing thirty-two (32) gallons, or for every twenty tuns of wine he carries he receives pay for only sixteen, plainly defrauded of one-fifth ($\frac{1}{5}$) of his freight. I have informed all American shipmasters of this system.

Their invoices were similar. They invoiced their casks as containing only thirty-two (32) gallons. At sixteen (16) dollars per quarter this would be fifty (50) cents per gallon; but if they contain forty (40) gallons, only forty (40) cents; and I know no man can include all expenses and export wine from here at such a price, nor can any one here buy wine at such a price."

On or about this time, the sherry seizures attracted considerable attention in Boston and New York. The enterprising editor of the New York *Herald* despatched one of the most experienced of its many intelligent *attaches* to Cadiz to investigate the matter. On Mr. Stephen R. Fiske's arrival (the correspondent), he called to see me. I advised him to look around himself, make all necessary enquiries, but that I was willing to do all in my power to assist him in his investigations. After a minute examination, and several interviews with various persons, he wrote as follows, under date of the 27th April, 1867, to that journal:

"But, as it happens, we have a little conflict of our own here in Cadiz. What is known in the United States as 'the sherry war' still continues; but our Consul has gained several decisive victories, and the enemy seems inclined to surrender. The whole secret of this difficulty is very easily explained. For a long time past several merchants here have been sending sherry wine to the United States under the low duty, valuing a quarter cask of thirty-one or two

gallons, at only sixteen dollars. What the same sherry sells for in New York you well know. Previous Consuls have winked at this practice, or have connived at it; but when Captain R. F. Farrell, our present Consul, came out to Cadiz, the merchants discovered that they had secured the wrong sort of a customer. Captain Farrell earned his office by his services in the Union army. He raised his own company, fought in the Army of the West, served as Provost Marshal under General Grant, and was especially complimented by that great soldier. Add to this, that Captain Farrell is a lawyer and has been an editor, and you can imagine a gentleman incapable of corruption, too shrewd to be deceived, and bold enough to take the responsibility when he knew he was right. Upon his arrival at Cadiz, Captain Farrell found the merchants sending sherry to the United States at a revenue valuation of \$16 a quarter cask, when no sort of wine could be bought here at anything like that price, and when the same wine was sold at \$50 or \$60 at Jerez, the capital of sherrydom, and at Cadiz, the great sherry port.

"This inconsistency having been pointed out to the merchants, they smilingly explained that the stuff sent to the United States was not sherry at all. 'It is slops,' they said, 'used to wash out the tubs, and for other dirty work about the stills.' This will be fine news for the sherry drinkers of New York. But Captain Farrell presented to the merchants a new dilemma. He asked them how, if this stuff was not sherry, they could have the conscience to swear in their invoices that it was sherry, and he refused to countersign their invoices unless they either gave the wine its proper value, or entered it as 'slops.' It could not pass at sixteen dollars a quarter cask, even as imitation sherry; for our revenue laws declare that imitations must pay the same tax as the genuine article. So soon as Captain Farrell took this bold stand, the merchants began to petition for his removal; but the Treasury Department having sent out a secret agent, to whom the merchants admitted that no sherry could be bought for sixteen dollars a quarter cask, and that this price was fixed to defraud the revenue, our Government decided to sustain Consul Farrell and carry on the war.

"Thus far the United States revenue has not been the loser. Ultimately it must be greatly the gainer. The result was at first to diminish the exports, but what was lost in the quantity of gallons was compensated by the increased tax. The two or three firms which had monopolized the cheap sherry traffic are very badly crippled; but the way is now clear for other and honester houses to send good wines without being subjected to an unfair and dishonest competition. Under the old system a merchant would send wines of different values, swearing them all through at \$16 a quarter cask. Then he had only to mark the different casks with a leaf, a letter, or a figure, and inform his agent in New York what qualities of wines these signs indicated, and he could easily defraud the revenue by slipping through a number of casks of the highest priced wines. Captain Farrell has taken the profits out of that game.

"Another operation of his is equally neat. Our laws require that the market value of the wines shall be taken as the tariff value; but the Cadiz merchants declared that this law could not apply to their \$16 sherry, because it had no market value here, no one being willing to buy such trash in Spain. Captain Farrell admitted that there might be some justice in this view of the value of their wines, but he suggested that the real market value was the price they brought in the market where they were sold—that is to say, in the United States. 'Pay the duty upon the price you get in America,' said he, 'and I will be perfectly satisfied.' This was emptying the unfortunate Spaniards out of the frying-pan into the fire, and more petitions for the Consul's removal ensued.

"But in the meanwhile Captain Farrell had discovered another swindle, from which American ship-owners had been the sufferers. In contracting for freight, the captains and merchants agreed upon so many dollars a tun. Now, eight quarter casks, holding thirty-two gallons each, make a tun; but the Spaniards prepared spurious quarter casks, holding forty gallons each. The difference in the size of the casks was not easily detected, and not until Captain Berry, of the *Berkshire*, complained to the Consul that his ship held much less wine than usual,

was this fraud exposed. It is but fair to say, and to say most emphatically, that the old-established houses, both here and at Jerez, are not concerned in this business, and give the Consul and the revenue no trouble whatever; but there are a number of speculators, grown rich upon their ill-gotten gains, who have no regard for their oaths, and who take a pride in swindling the revenues of their own and of all other countries. They hate our Consul because he can neither be bribed nor intimidated; the respectable wine merchants respect him for the same reasons. The adulterations of wines, which are quite distinct from any revenue matters, do not come within the scope of your Cadiz correspondent, but must be seen in all their details at Jerez.

"The Russian Consul at Cadiz receives \$7,000 a year, the French Consul \$5,000, the English \$4,800, and all of them are allowed plenty of clerk hire and office rent. The American Consul, out of a salary of \$1,500, has to pay his clerk and buy his office furniture. No wonder that under these circumstances previous Consuls should have winked at frauds and invoiced sherry at half the price of the lowest wines here. When a government underpays its employees, it encourages them to be dishonest. Our Consul ought to receive five thousand dollars a year at least, and if the Government had been paying that salary it would have been better for the treasury. We have saved thirty-five hundred dollars a year in the salary; but since 1863 the Government has lost over one hundred thousand dollars a year by the sherry frauds connected with the sixteen-dollar invoices. It is more profitable to be just or even generous, and I hope that a gentleman like Captain Farrell, who does his duty honestly, without fear or favor, will not be forced to resign his position to inferior hands because his salary is not sufficient to support any man in Cadiz respectably."

Such, dear sir, is a brief statement of my conduct in the matter of declining to certify what I supposed to be, and what the Treasury Department has discovered to be, and what the shippers have admitted to be, *false invoices*.

THE CADIZ INSURRECTION.

I assure you that I refer to the part I took in that sanguinary struggle with diffidence; but as the press of England, Spain, Switzerland, and the United States have complimented my action, and the late venerable Secretary of State not only approved of what I did, but thanked me for the same [his letter is annexed], I beg to present you with a short sketch of what took place:

At 2 o'clock p.m., Saturday, December 5, 1868, the insurrection commenced, and raged without an hour's intermission, day or night, until early on Tuesday morning, December 8, when, in company of the Norwegian Consul, I succeeded in obtaining a cessation of hostilities, in the name of humanity, of the terrified women and children, between the contending parties for forty-eight hours, which, fortunately, was extended for a week, and ultimately to a compromise. While the city was in possession of the militia, the gates closed, and armed men of every condition in life roaming through the city, I was appealed to by a number of British subjects to assist them to escape from a scene of so much bloodshed and danger. Stulice to say, I promised to assist them, and fulfilled it, as the following correspondence shows:

"B. S. S., LONDON, BAY OF CADIZ, December 8, 1868.

"To R. F. FARRELL, Esq., Consul of the United States of America, Cadiz:

"DEAR SIR: We, the undersigned, are safe on board the ship above-named, experiencing the kind hospitality of Captain Hall. That we got out of the walls of Cadiz, and all here, we feel to be entirely due to the courage and firmness with which you maintained your right to pass us through the gates in spite of the resolute and fierce resistance of the revolutionists. Every one of us have expressed regret that in the hurry of our departure we missed you at the gate, and were unable to offer you by word of mouth the thanks which we certainly owe you. Failing our ability to do this, we have thought it best to testify, as we beg to do

by means of this joint letter, our sense of your great kindness and of our own gratitude. We are, dear sir, your obedient and faithful servants, PHILIP KINGSFORD, M.A., and Clerk in Holy Orders of the Church of England; MARY CRESWELL, ROSARIO GORDON, JOSEPH GORDON, C. J. CRESWELL, PHILIP NORMAN, EMILIUS A. DE COSSON."

"U. S. CONSULATE, CADIZ, December 14, 1868.

"PHILIP KINGSFORD, Esq., M.A. :

"DEAR SIR: I seize the first available moment to acknowledge the receipt of your kind and complimentary letter of the 8th inst. I beg you to assure your friends that in aiding them to pass out of Cadiz I only did my duty as an American, as a public officer and gentleman, and am ready at all times to do the same.

"I am, dear sir, with much respect, your obedient servant,

"R. F. FARRELL, U. S. Consul."

The following extract from the report of Capt. H. C. Blake, U.S.N., is submitted :

U. S. S. SWATARA (3d Rate).

CADIZ, SPAIN, Dec. 13, 1868.

SIR: . . . I deemed the presence of this vessel no longer necessary at Gibraltar, and immediately left for this place, where I arrived on the morning of the 12th inst.

I found this city in a state of siege—the streets barricaded: non-combatants, who were able, leaving the city; and the Governor, and the forces under his command, confined in the Custom-house, over which a white flag was flying. The Spanish vessels of war were anchored in a line, ready to fire upon the city. All the American travellers had left the place. Those with American protection were placed on board the vessels in the bay. The American Consul declined leaving his Consulate until the fleet should open upon the city. I immediately communicated with him, offering the use of boats to bring off himself and American citizens. The Consul visited the ship, and reported the substance of the above information in relation to the affairs here.

As far as I am able to learn, it appears that the collision between the citizens and troops was brought by an order given by the Governor for the former to surrender their arms in three hours. Some trouble in relation to this order having taken place at the port of St. Mary, a detachment of troops was marched to the mole to embark for that place, when they were fired upon by the people. The fighting then became general throughout the city, and continued for some two or three days, the populace succeeding in driving the troops to the Custom-house. At this point Mr. Farrell succeeded in bringing about an armistice between the parties. The loss of life on both sides was considerable.

Very respectfully your obedient servant,

(Signed) HOMER C. BLAKE,
Commander Commanding.

Commodore A. M. PENNOCK, Commanding European Squadron.

From several parts of Spain I received letters thanking me for my conduct and efforts in favor of peace during the struggle and after it. Here is one of the most important :

Direccion general de las Sociedades Obreras de Barcelona.

Al señor cónsul de los Estados Unidos, Cadiz.

El Congreso obrero compuesto de las Sociedades trabajadoras de Cataloña, reunido el dia 13 de los corrientes en esta ciudad, despues de haber declarado libérrima y unánimemente que la forma de gobierno que conviene mas en España

es la república democrática federal, ha resuelto enviarle un voto de gracias por sus buenos oficios en favor de la paz en los acontecimientos que han tenido lugar en esa heroica ciudad de Cádiz.

Acuerdo que tiene la satisfacción de remitirle la Dirección central de las Sociedades obreras de Barcelona.

Salud y fraternidad.

Barcelona 16 de diciembre de 1868.—El ciudadano presidente interino, Juan Forgas.—El ciudadano secretario interino, Antonio Calome.

Consulado de los Estados Unidos. Cádiz, diciembre 23, 1868.

A la Dirección central de obreros de Barcelona.

Muy señores míos: Tengo el honor de acusarle el recibo de su comunicación de 16 del corriente, dándome un voto de gracias en nombre del Congreso de obreros de esa ciudad de Barcelona, por mis oficios en favor de la paz durante los desgraciados sucesos ocurridos últimamente en esta ciudad.

Tengo el honor de informarle que todos y cada uno de los miembros del Cuerpo consular en esta ciudad fueron tan celosos en sus oficios en favor de la restauración de la paz como el firmante y son igualmente acreedores á la felicitación de ese Congreso.

Doy gracias á los trabajadores de Barcelona por sus cumplimientos, e inmediatamente remitiré copia de su comunicación al honorable secretario de Estado de los Estados Unidos.

Soy de ustedes con mucho respeto S. S. Q. B. S. M.—R. F. Farrell, cónsul de los Estados Unidos.

[Translation.]

“CENTRAL DIRECTORY OF THE MECHANICS AND WORKINGMEN'S CONGRESS OF CATALONIA, BARCELONA, December 16, 1868.

“TO R. F. FARRELL, U. S. Consul at Cadiz.

“SIR: The Workingmen's Congress, composed of the societies of mechanics and laboring men of the Province of Catalonia, assembled on the 13th day of December in this city, after having freely and unanimously declared that the form of government most suitable to Spain is the Democratic Federal Republic, unanimously resolved that the best thanks of the said Congress were due and are hereby tendered to you for your noble efforts in favor of peace during the late events in the heroic city of Cadiz. The Central Directory of the aforesaid Congress, have great pleasure and satisfaction in remitting the same to you.

“Health and fraternity, JUAN FARGAS, President *pro tem*.

“ANTONIO CALOME, Secretary.”

[Translation.]

“U. S. CONSULATE, CADIZ, December 23, 1868.

“TO MESSRS. JOHN FARGAS, President *pro tem*, and ANTONIO CALOME, Secretary *pro tem*, of the Workingmen's Congress at Barcelona:

“GENTLEMEN: I have the honor to acknowledge the receipt of your communication of the 16th inst., conveying to me a vote of thanks in the name of the Workingmen's Congress assembled at Barcelona, for my efforts in favor of peace during the unhappy days which lately visited this city. I beg to inform you that each and every member of the Consular body in this city was as zealous in his efforts to restore peace as the undersigned, and are equally entitled to your acknowledgments. I thank the mechanics and workingmen of Catalonia and Barcelona for their compliment, and shall immediately transmit a copy of the same to the Honorable Secretary of State of the United States.

“I am, gentlemen, with great respect, your obedient servant,

“R. F. FARRELL, U. S. Consul.”

Copies of all the letters received, and an account of what took place in and around Cadiz from December 5, 1868, when hostilities commenced, to the 15th of December, 1868, were sent to the Department of State. The venerable head of that department sent me, in reply, the following letter :

No. 85.]

DEPARTMENT OF STATE, WASHINGTON, Jan. 12, 1869.

R. F. FARRELL, Esq., U.S. Consul, Cadiz :

SIR : Your despatch of the 15th December, No. 110, has been received. It contains a very full and interesting account of the recent insurrectionary proceedings at Cadiz.

You will accept my thanks for the manifest attention and care with which that narration has been made. It gives me much satisfaction, moreover, to approve and commend the judicious, dignified, and efficient manner in which you executed in that transaction the important part which so unexpectedly devolved upon you as the Consul of a friendly nation.

I am, sir your obedient servant,

WILLIAM H. SEWARD.

Minister Hale wrote a very flattering letter to me. Here is an extract : " I was highly gratified to learn the useful and active part which you took, etc. The inhabitants of Cadiz, I learn from various sources, highly appreciate your conduct. The latter, I suppose, look upon you in a somewhat different light from what they did some time since, when your fidelity to your Government and your duty made you so obnoxious to those who were offended by your honest and fearless discharge of your duty in respect to their fraudulent attempts by which the Treasury of the United States would have been defrauded."

The London *Daily News*, December 12, 1868, stated : " The peaceful termination of the insurrection at Cadiz is entirely attributable to the good offices of Mr. R. F. Farrell, the American Consul in that city."

Every daily journal in the United States on the morning of December 13, 1868, copied the above, and many referred to it in a complimentary manner.

The New York *Herald*, December 18, 1868, says (editorially) : " The part which was played in Cadiz during the recent struggle in that city by Captain Farrell, our Consul there, redounds to his honor and the honor of the United States."

The Madrid correspondent of the *Journal de Genève* (December 24, 1868), said :

L'acharnement entre la troupe et les citoyens, dès le début de la lutte, a été tel que la plupart des maisons ont été dépourvues de leurs meubles et de leurs marchandises, qui ont servi dans les rues à élever des barrières. C'est ainsi qu'un honorable commerçant suisse, M. B——, du canton de Vaud, s'est vu enlever tout ce qu'il possédait, sans qu'il lui fût laissé un lit ou une chaise ; des balles de papier qu'il avait en magasin furent également jetées sur la voie publique, et empilées comme moyen de défense. Malgré ces excès, aucun vol n'a été commis, et chacun, après la reddition de la place, a pu reprendre les effets qui lui manquaient : mais je vous laisse à penser dans quel état ils se trouvaient. Ce qu'il y a eu d'étrange dans ce combat de maison à maison, c'est qu'au milieu des décharges de l'artillerie, les cloches des églises sonnaient à toute volée, et ce tapage, joint aux cris des combattants et aux plaintes des blessés, devait produire un effet lugubre qui restera longtemps gravé dans le souvenir de ceux qui ont assisté à ces terribles scènes. Pendant la trêve qui fut accordée à la demande des consuls étrangers, et plus particulièrement du consul des Etats-Unis, lequel s'est admirablement conduit dans cette pénible circonstance (cette trêve, vous le savez, avait, pour but de permettre la sépulture des morts qui, depuis quarante-huit heures gisaient sur les places et dans les rues), on voyait des milliers de personnes, surtout les femmes et les enfants, courir éperdues dans la direction du port pour y cher-

cher des embarcations qui pussent les transporter sur quelques points habités de la côte voisine.

On évalue à 35,000 les personnes qui ont abandonné la ville ; les pertes sont énormes, et Cadix peut être considérée comme ruinée pour longtemps.

It is unnecessary for me to translate the foregoing. I present it to show you how strangers viewed my conduct when I did *my duty*, and as corroborative of my assertion referring to the press of Switzerland.

Mr. Oscar G. Sawyer, the correspondent of the *New York Herald* at Cadiz, during and after the insurrection, wrote to that journal under date of December 14, 1868 [*vide New York Herald*, January 15, 1869] :

"The gunboat *Scutara*, Commander Blake, arrived from Gibraltar on Saturday to attend to American interests. Fortunately all had gone well, thanks to the influence and energy of Mr. Farrell, our Consul, who is really the person entitled to the honor of settling the trouble and saving a great many lives. There were quite a number of American and English tourists here, whom he cared for and passed out to ships in the harbor, where they found a place of safety. The English parties united in signing a very handsome acknowledgment of his valuable and timely services in placing them in a safe retreat. On all sides the Consul has won golden opinions. The general commanding and the chiefs of the revolution are equally warm in their acknowledgments of his invaluable services in bringing to a close the bloody combat. He has performed his duty well, and is deserving of all praise."

During the insurrection the following well-known citizens were at Cadiz with their families. They are acquainted with all the facts stated connected with the same : Col. Amasa Stone, Jr., Cleveland ; Col. I. H. Reed, New York ; H. C. Kingsley, Esq., New Haven, Conn. ; E. W. Fiske, Esq., Brooklyn.

At or about the time the shippers of low-priced wine were informed that Mr. Fish had removed me, Mr. John J. Ryan, the Paris correspondent of the *N. Y. Times*, visited Cadiz. Under date of April 3, 1869 [*vide N. Y. Times*, April 28, 1869], he wrote :

"On our arrival in Cadiz our party called upon the American Consul, Captain R. F. Farrell, to get some information regarding the movements of the *Franklin*, which we had reason to believe would have reached the port before our arrival. He could tell us nothing more than that the officers of the *Scutara* were in hourly expectation of receiving a telegram announcing her departure from Lisbon, and that he had himself given orders to have a pilot on the lookout for her.

"We found the Consul somewhat mystified by a paragraph which had appeared in the *Correspondencia* of Madrid, a couple of evenings previously, announcing his removal from his position. As the name of his successor was not mentioned, and he had received no intimation of his displacement from any other quarter, he had come to the conclusion, and we agreed with him in it, that the statement was an unauthorized one, and was, in all probability, a hoax. It was hardly to be supposed, after the services which he had rendered the Government in the matter of the wine frauds, and the credit which he won for himself and the country during the recent insurrection, that he would be thus unceremoniously dismissed. Should the statement turn out to be correct, it will be very unfortunate for the interests of the Government, and will occasion a great deal of excitement in Cadiz, where the spirited and judicious conduct of this officer during the critical circumstances in which the city was lately placed has won him the esteem and regard of all classes of its population."

The *N. Y. Herald*, reviewing the diplomatic and consular service, May 17, 1869, says :

"We possess some men, however, who forget not their country, who forget not that they are American gentlemen, supposed to represent one of the grandest na-

tions on earth, whose characters are spotless, and of these of the rank of Ambassador are:—Marsh, at Florence; Tuckerman, at Athens; Bancroft, at Berlin; Dix, at Paris; and Bartlett, at Stockholm. We have also very many first-rate men as Consuls, of whom we may mention Farrell, at Cadiz; Conway, at Marseilles; Goodfellow, Consul-General, at Constantinople; Johnson, at Beyrout; Webb, at Zanzibar; the Consul-General at Calcutta; our Consul at Bombay; Seward, at Shanghai, and several others. But then we have Consuls and Consuls-General who are nothing more than low drunkards, brutes who disgrace the very name of man; and then we have men who are in other ways utterly unfit to hold office, and General Grant should exercise the very greatest care that such men as are totally incapacitated from performing their duties, mentally as well as morally, should no longer be a reproach to the nation of which he is the elected head."

On my return to the United States, several prominent persons asked me why I was removed, among the number my dear friend, the Most Reverend Archbishop Purcell. I informed them I knew of no cause, but that I intended to find out if there was any. Some said it was strange that General Grant should remove a man who did his duty as I did it, not to mention the fact that I served in the Army of the Tennessee, the cradle of his fame, and performed some service which he (Gen. Grant) remembers, as the following letter shows:

WILLARD'S HOTEL, WASHINGTON, D. C., January 20, 1871.

MY DEAR CAPTAIN: If I can serve you in any way, I should be glad to do so. I always feel it a duty as well as a pleasure to serve my old comrades of the war, especially those who, like yourself, did efficient service in our grand old Army of the Tennessee. I shall never forget the special service you did at Jackson, and I have no doubt General Grant remembers you well. If you can state any special service I can do for you, command me.

Yours truly, W. S. HILLYER,
Ex-Provost Marshal General, Army of the Tennessee.

Captain R. F. FARRELL, Owen House, Washington.

You presented me to the President after you heard my statement, corroborated by my printed correspondence with the Department of State, which you have read. The President informed us that he would refer the matter, and so he did, to Mr. Fish. The latter informed me, when I called to see him, that the Spanish minister, *two years before* he (Mr. Fish) was in office, preferred charges against me for interfering with the plans of dishonest merchants at Cadiz. Mr. Seward, I supposed, examined the charges; at least Secretary McCulloch endorsed my action, and sent me \$500 to find out all appertaining to the wine trade. But, *mirabile dictu!* I was removed on an *ex-parte* statement of a foreign minister made two and one-half years before the election of General Grant to the presidency!

My curiosity was excited to have a peep at the charge or charges of the Minister Plenipotentiary, etc., of Spain, and I addressed a communication to Mr. Fish on the matter. He furnished me with a copy of the charge, and, as a warning to future Consuls, I present it *in extenso*:

[Translation.]

WASHINGTON, 27th February, 1868.

LEGATION OF SPAIN AT WASHINGTON:

The undersigned Minister Plenipotentiary of Her Catholic Majesty has the honor to address himself to the Hon. Secretary of State of the United States, to place before him what follows. It appears at the Department that the Consul of the United States at Cadiz, Mr. Farrell, has for long time refused to sign the invoices of sherry wine intended for this republic, alleging for cause that the value of the wine, as declared by the exporters, is inferior to what the article is really

worth, and this tends to diminish the payment of duties on importation, which in the United States are collected *ad valorem*.

The explanations which the exporters have thus far given to convince the Consul of his error by demonstrating by detailed analysis of the manufacture of the wines that their value is exactly stated, have been useless. Meantime, and by effect of the obstinate negative of the Consul, considerable losses have been caused, and continue to be caused, not only to the individual interests of exporting merchants, but also to the general and common interests of Spain and of the United States, between which the trade in wines has been in effect paralyzed. This being assumed, and to avoid the prolongation of so lamentable a condition of things, the undersigned thinks it would be well to introduce some modification of the tariff of duties which prevails in the United States.

The *ad valorem* duty which is at present collected on wines imported, and which in practice is producing difficulty and stagnation, might perhaps be substituted by another impost equally beneficent to the interests of the treasury, and which would not be subjected, in its application, to divergences such as those occurring in Cadiz.

In this category the specific duty is to be found, which, based upon an equitable value, but not without taking into account the quality and value of the article, would give commercial and economic results which are looked for through the *ad valorem* duty. But even in maintaining the existing system there might, perhaps, be an advantageous arrangement introduced by a regulation that wines, and other articles of analogous character, should be appraised at the places to which they are destined; and in cases of difference about their real value, the custom house should become entitled to them by paying to their consignees the value determined on, with an addition of *five or ten per cent*, additional if it should be thought the value stated was below the real and true value.

This is practised with good result in many countries, and, in respect of certain productions and in the case in hand, would probably give favorable results, by the avoidance of frauds on the public revenue and by counteracting the ill faith and arbitrariness of merchants and employees. The undersigned, in permitting himself to present to the Hon. Secretary of State the preceding suggestions, has no object but to contribute on his part to remedy the evils which are experienced from the fetters put on the exportation of sherry wines, and would be glad, therefore, if such suggestions should prove acceptable, that they should be recommended to the Treasury Department, in order that it might be taken under consideration by the competent authorities.

After what has been said upon the question as to the effect on material interests, the undersigned, in conformity with orders received from his government, should call the attention of the Hon. Secretary of State to the language, offensive to a respectable class of persons, which Mr. Farrell has employed in his official communications. This functionary, in dispatches addressed to the Department of State, and particularly in those distinguished by the numbers 38, of June 29th, 1866, and No. 54, of 27th November of the same year, which documents were published on being sent by the President of the United States to Congress, has abused and calumniated in the gravest language all the merchants of Cadiz, and as it is not possible for them, in view of the special circumstances of the case, to employ the legal and ordinary modes of vindicating themselves and obtaining proper reparation from Mr. Farrell, they have taken recourse to the Government of Her Majesty, soliciting her to protect the wounded honor of her subjects. In consequence, the undersigned finds it his duty to address himself to the Hon. Secretary of State, calling his consideration to the fact to which he refers, being unable to do less than to protest against the calumnious accusations made by Mr. Farrell in the letters aforesaid. The undersigned hopes from the high regard for justice of the Hon. Secretary of State, that, taking account of the fact and the special position of that functionary, he will act in both respects as justice, reason, and fitness may counsel.

The undersigned avails of the occasion to reiterate to the Hon. Secretary of State the assurance of his highest consideration.

FACUNDO GOÑI.

To the Honorable Secretary of the United States.

It was with no ordinary feelings of surprise that I carefully read the preceding document. I re-read it. I have been unable to find any cause for my removal, as stated by Mr. Fish, except where the Spanish minister finds fault with my execution of the laws of the United States and our system of collecting duties on imports.

I admit that my language was plain, as it ought to be, when I informed the Department of State of the character, antecedents, etc., of the Spanish merchants engaged in the traffic of invoicing wine at less than one-half its value.

The merchants of Cadiz—men who have been born in the wine-trade, if I may say so—know that I never referred to them. It was only a clique of some dozen or so who are as hostile towards custom-houses as if they were the direful springs of all the woes of humanity. The Corypheus of the gang was a Gibraltar Jew, who bade farewell to the Pentateuch when he left the Bay of Algeciras, and humbly recanted the shortcomings of Judaism for the graces of Catholicity, when he found that to be a Cadiz merchant it was necessary to believe in the “Sermon on the Mount” and the “Apostles’ Creed.” The clique flourished during our war, but when I took charge of the consulate I put a stop to their *commerce*. I admit that they have had *their* revenge by having me removed by a Secretary of State who knows nothing of the merits of the case, and who would not listen to any explanation, even when the matter *was referred to him, on two different occasions, by President Grant.*

They could not succeed while Mr. Seward was Secretary of State, because that sagacious gentleman invariably supported his subordinates when they did their duty, and impartially investigated all charges preferred by ministers or smugglers against the consular officers of the United States.

Dear Sir, I am not seeking for reinstatement. I would not accept the position to-morrow. But I believe it to be my duty to place on record a sample of the reward in store for consular officers of the United States who are manly enough to obey the orders of their superiors, honest enough to prevent foreigners from robbing us, especially when the country was taxing her best energies to assist the disconsolate relatives of those who died that this nation might live, chivalrous enough to protect the helpless even at the risk of life, and ready at all times, as I have been, at *home* and *abroad*, to uphold the dignity of the nation, and, if possible, enhance the honor of our flag. And I think, too, that if my statements are true, and they are (the records of the Departments of State and Treasury corroborate them), an indignity has been put upon me which has been highly gratifying to the Corypheus and clique aforesaid, who admitted at Boston and New York to “A REASONABLE CAUSE OF SEIZURE,” and who were compelled to pay into the United States Treasury the comfortable sum of \$102,500, and which the President of the United States is bound in justice to remove, since his representative at the State Department has refused to go behind the *ex-parte* statement, which is nothing in itself but a criticism of our revenue laws, of the Spanish minister addressed to his, Mr. Fish’s, predecessor in 1868.

5 The “complaint” of the Spanish minister is ridiculous. I beg to call your attention to its principal points:

I. If I refused “to sign the invoices of sherry wine,” *as I did*, for a long time, why did the Departments of State and Treasury neglect to inform me that I was doing wrong, if I was doing so, after the remonstrance of Señor Tassara, the predecessor of Minister Goñi, which was presented to the Department of State February 5, 1867?

II. I was sent to Cadiz to execute the orders of the Departments of State and Treasury. I have done so. The Secretary of the latter department *sent me* \$500 *to assist me in putting* \$102,500 into the strong box of which he held the key.

III. The Spanish minister's statement that I "calumniated in the gravest language all the merchants of Cadiz," is gratuitous. There are (were) only a small number of the many wine merchants of Cadiz and vicinity engaged in the so-called low wine trade. My letters to the Department of State referred to them, and to them alone, as every one in Cadiz knows (knew). Calumny, as defined by Webster, means "*a false accusation, maliciously made,*" etc. I made no accusation against any person or persons, but simply informed the Department of State that the character of the exporters of so-called low sherry wine was not good for truth and veracity. *They have admitted that it was (is) not*, by publicly stating before the representative of the United States Government to "*a reasonable cause of seizure.*" If there was "*a reasonable cause of seizure,*" I did my duty when I communicated with the aforesaid departments, and did *not* calumniate any merchant or merchants; if there was no reasonable "*cause of seizure.*" the exporters, or their agents, have stated an untruth when paying the extra duty of eight cents per gallon, and two and one-half per cent. on the same.

The foreign clique have triumphed; the obedient public servant, who dared do his duty, has been denied a hearing by the Secretary of State of his old General, who knew him *in the field*, through his staff officers, to be an efficient officer—an American soldier.

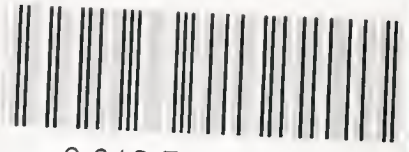
The exporters of so-called low sherry wine from Cadiz have been mollified over their *loss* of \$102,500 in a measure by the removal of a consular officer whom they tried to intimidate and cajole, but failed in both. Neither their best friend, Mr. Hamilton Fish, nor any of their agents in the United States, are able, however, to obliterate the *endorsement* of the great Secretary of State, Mr. Seward, whose fame is the pride of his friends and the glory of his country, for services that all *honest* men esteem and incorruptible administrations reward instead of punishing.

I am, dear sir, your obedient servant,

R. F. FARRELL,

Ex-United States Consul at Cadiz, Spain.

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